

REMARKS:

In the foregoing amendments, claim 1 was amended by including the limitations of claims 4-6 therein. Claims 4, 5, 6, 10, 15 and 17 were canceled. Claim 22 was added to the application, which is similar in scope to amended claim 1. Claims 19-21 and 23-25 were added to the application and define lower limits for the amount of Sm as shown in the tables of the present specification. See, for example, Run Nos. 2, 3, 8, 12, 45 and 49. The Official action withdrew claims 9-13 and 15-18 from consideration as being directed to a non-elected invention. Claims 2, 3 and 8 were previously canceled. Accordingly, claims 1, 7, 14 and 19-25 are in the application for consideration by the examiner.

The Official action set forth a rejection of claims 1, 4-7 and 14 under 35 U.S.C. §103(b) as being unpatentable over U.S. patent No. 5,916,376 of Fukuno *et al.* (Fukuno). These teachings were used to reject the claims in the parent application and the positions in the outstanding Office action are similar to those previously set forth. The Official action provided a claim interpretation in section 5 on page 3 thereof. The new positions set forth in the outstanding Official action can be summarized into two main points. Firstly, the lower limit of 7.1 at % Sm in present claim 1 is substantially the same as the 7.0 at % Sm proposed in Example 105 of Fukuno, and therefore, claim 1

would have been obvious over Example 105 of Fukuno. Secondly, applicant's claims 1, 4-7 and 14 do not exclude the Zr that is required in Fukuno.

Applicant respectfully submits that claims 1, 7, 14 and 19-25 are patently distinguishable from the teachings of Fukuno within the meaning of 35 U.S.C. §103(b) for at least the following reasons.

In support of the first position, the Official action cited some case law on pages 5 and 6 thereof. Applicant respectfully submits that the holdings in these cases are not relevant to the obviousness determination for the present claims, because the underlying factual situations are different. Consider, for example, the case of *Titanium Metals v. Banner*, 227 USPQ 733 (Fed. Cir. 1985). In *Titanium Metals*, claim 3 of the application claimed 0.3% Mo and 0.8% Ni, balance titanium. A Russian prior art disclosed two alloys having 0.25% Mo and 0.75% Ni, and 0.31% Mo and 0.94% Ni, respectively. Thus, the Russian prior art taught alloys having amounts of Mo and Ni above and below that set forth in claim 3 of the application. Based on this factual situation, apparently the court concluded that it would have been obvious to optimize an amount of Mo and Ni between the amounts of these ingredients propose in the Russian prior art.

This factual situation is different from that presented in the teaching of Example 105 of Fukuno, which only proposes a single amount of Sm below that required in the present claims. In other words, the amount of 7.0 at % Sm

proposed in Example 105 of Fukuno is completely outside the range of 7.1 to 12 at % Sm, which is required in applicant's claims 1 and 22. This amount of 7.0 at % Sm proposed in Example 105 of Fukuno is further removed from the amounts of 7.2 to 12 at % Sm, 7.3 to 12 at % and Sm 7.5 to 12 at % Sm defined in claims 19-21 and 23-25. Since there is no overlap between the amount of 7.0 at % Sm proposed in Example 105 of Fukuno and the amounts of 7.1 to 12 at % Sm, 7.2 to 12 at % Sm, 7.3 to 12 at % and Sm 7.5 to 12 at % Sm defined in the present claims, one of ordinary skill in the art would not be motivated to modify the amount of 7.0 at % Sm proposed in Example 105 of Fukuno to something completely outside the range set forth therein, such as the higher amounts required in the present claims 1 and 19-25.

In other words, applicant's claims 1 and 19-25 require an amount of Sm of at least 7.1 at %, 7.2 at %, 7.3 at % or 7.5 at %. Magnet powder 105 discussed in Fukuno requires, *inter alia*, only 7 at % of Sm. Applicant respectfully submits that since claims 1 and 19-25 and magnet powder 105 of Fukuno require mutually exclusive amounts of Sm, these claims are patently distinguishable from the teachings of Fukuno.

Since magnet powder 105 of Fukuno is a prior art alloy as discussed therein, applicant respectfully submits that one of ordinary skill in the art would not be motivated to modify the amount of Sm (equal to 7 at %) in this prior alloy to another higher amount of Sm, such as that set forth in the

present claims. For example, it is respectfully noted that magnet powder 105 of Fukuno has a very poor coercive force (H_c) as 0.9 kOe. One of ordinary skill in the art would not be motivated to use such a material or to modify such a material, when the other examples in Fukuno have a much higher coercive force of 7-10 kOe. The low coercive force of magnet powder 105 of Fukuno appears to be caused by an extremely large grain diameter of 200 nm. In contrast thereto and in the presently claimed invention, the grain diameters are usually in the range of 20-30 nm and can be up to 100 nm.

The Official action set forth an interpretation of applicant's claims on page 3 thereof. In this interpretation, the Official action stated that applicant's claim 1 is open to additional elements, because claims 4-6 depend from claim 1 and optionally add additional elements to the magnetic material of claim 1.

While applicant does not agree with this claim interpretation, in the foregoing amendments claim 1 was amended to include the limitations of claims 4-6, and claims 4-6 were canceled. Claim 22 was added to the application, which is similar in scope to amended claim 1. Since there are no claims that depend from claims 1 and 22 that add additional ingredients into the magnetic material defined therein, the interpretation of claim 1 as proposed in the outstanding Office action is no longer appropriate.

Applicant respectfully submits that claims 1 and 22 exclude the Zr, which is required in the materials proposed by Fukuno. The teachings of

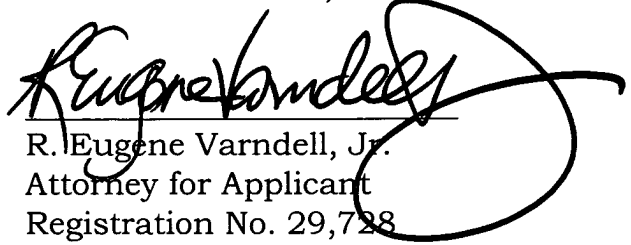
Fukuno are characterized by choosing a high Zr-content resulting in the formation of α -Fe in the magnet material and a relatively high roll-speed of quenching molten alloy (spherical speed: 50 m/sec or higher), so that good magnetic properties may be obtained. Thus, eliminating Zr from the alloy proposed in Fukuno is in direct contrast to these teachings. For such reasons, applicant respectfully submits that it is impossible for the teachings of Fukuno to motivate one of ordinary skill in the art to the invention set forth in the present claims, which excludes Zr.

At least for the foregoing reasons, applicant respectfully submits that the inventions defined in claims 1, 7, 14 and 19-25 are patently distinguishable from the teachings of Fukuno. Therefore, applicant respectfully requests that the examiner reconsider and withdraw this rejection.

In view of the foregoing amendments and remarks, favorable consideration and a formal allowance of claims 1, 7, 14 and 19-25 are respectfully requested. While it is believed that the present response places the application in condition for allowance, should the examiner have any comments or questions, it is respectfully requested that the undersigned be telephoned at the below listed number to resolved any outstanding issues.

In the event this paper is not timely filed, applicant hereby petitions for an appropriate extension of time. The fee therefor, as well as any other fees which may become due, may be charged to our deposit account No. 50-1147.

Respectfully submitted,
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